

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
JUNE 13, 2016
6:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; William Pitman Chief of Police; Brian Wright-Finance Director; Ken Martin-City Engineer/Public Works Director; Paul Anchondo-Parks and Recreation Director; Rus Ketcham-Library Director; Jon Vlaming-Community Development Director; Roger Valdez-City Magistrate

I. CALL TO ORDER

Mayor Belloc called the meeting to order at approximately 6:02 p.m.

II. INVOCATION

Invocation was given by Councilmember Tidwell.

III. PLEDGE OF ALLEGIANCE

Mayor Belloc led Council and the public in the Pledge of Allegiance.

IV. ROLL CALL

Council Members Present: Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez; Mayor Joel Belloc; Vice Mayor Micah Powell; Councilmember J.W. Tidwell; Councilmember J.R. Nagy

Council Members Absent: Councilmember Augustine Saucedo (excused)

V. COMMUNICATIONS

Mr. Krauss conveyed the following communications to Council:

- A Planning and Zoning Commission meeting is scheduled for June 15th at 7:00 p.m.;

- An Airport Advisory Board meeting scheduled for June 16th at 5:30 p.m.
- EDGE meeting scheduled June 16th at 11:30 a.m.
- I-II Coalition meeting is slated for June 20th at 10:00 a.m. in Maricopa

VI. APPEARANCES FROM THE FLOOR

None.

VII. EXECUTIVE SESSION

No executive session needed tonight.

VIII. CONSENT AGENDA

Agenda Item

Subject

- IX-A. Approval of Minutes: 5/23/16 (regular)
- IX-B. Adoption of a revised Compensation Pay Plan effective July 1, 2016.
- IX-C. Authorize the City to continue to provide Dispatch Services for emergency requests to the Eloy Fire District (EFD) for Fire Protection and Emergency Medical Services at an annual fee of \$60,000.
- IX-D. Authorize the positions of Grants Coordinator and Human Resources Director and include these positions in the City's Compensation Pay Plan effective July 1, 2016.
- IX-E. Mayor and City Council to consider appointing the members of the City's Selection Committee to determine the architect, project management/ construction management consultant and construction manager at risk for the new City Hall building.

Motion by Vice Mayor Powell, seconded by Councilmember Tidwell to approve the Consent Agenda as presented, passed unanimously by roll call vote.

IX. BUSINESS

F. PRESENTATION FROM SOUTHWEST GAS CORPORATION ON THEIR CONSTRUCTION PROJECTS AND ACTIVITIES IN ELOY.

Cover sheet discussion: Council to receive a presentation from Dan Wolf and Walter Richter of Southwest Gas Corporation on their construction projects and activities within the City of Eloy.

Over the past year Northern Pipeline (contractor for Southwest Gas) has been replacing numerous gas lines in Eloy. Due to the extensive amount of construction that has been occurring in Eloy, the Mayor requested that a representative from Southwest Gas brief the City Council on the work that has been completed to date as well as provide the City with an overview of any future projects scheduled.

Dan Wolf and Walter Richter of Southwest Gas have agreed to provide the Mayor and Council with an overview of construction projects and activities at your June 13th regular meeting.

FISCAL IMPACT: *N/A*

Mr. Walter Richter, Administrator/Corporate Public Affairs (Tucson) and Mr. Dan Wolf, District Manager Division Operations (Casa Grande) representatives from Southwest Gas Corporation, gave a PowerPoint presentation on the company, various projects and activities in the city. During the presentation, Mr. Wolf and Mr. Richter fielded questions from Council.

Mayor Belloc thanked Southwest Gas for all the work that is being done in the city.

G. ADOPTION OF RESOLUTION NO. 16-1391 APPROVING THE TENTATIVE BUDGET FOR FISCAL YEAR 2016 - 2017 FOR THE CITY OF ELOY IN THE AMOUNT OF \$38,607,525.

Cover sheet discussion: *Council adopts Resolution No. 16-1391 approving the Tentative Budget for Fiscal Year 2016 - 2017 for the City of Eloy in the amount of \$38,607,525.*

State law requires that on or before the third Monday in July of each fiscal year, the City Council must adopt a tentative budget. Once this tentative budget has been adopted, the expenditures may not be increased upon final adoption, however, they may be decreased. With the adoption of the tentative budget, the Council has set its maximum "limits" of expenditures, but these limits may be reduced upon final adoption. Upon adoption of the tentative budget a public hearing must be set. The date for the public hearing is set for June 30, 2016 at 5:30 p.m. in the Council Chambers.

Once the tentative budget has been adopted, Schedule A-G must be published once a week for at least two consecutive weeks following the adoption. The tentative budget is fully itemized in conformance with forms supplied by the Auditor General as prescribed by Arizona Revised Statutes §§42-17101 and 42-17102 and entered upon the Council meeting minutes.

FISCAL IMPACT:

The City's total budget for FY2016-17 is \$40,684,830, which includes inter-fund transfers. Excluding the inter-fund transfers, which total \$2,077,305, provides for an expenditure limitation of \$38,607,525, excluding Agency Funds (pass-through funds to CCA).

Mr. Krauss gave a brief overview of the proposed tentative budget. He briefly reviewed the following three changes in the budget since last Council budget work session.

1. Drainage improvements - \$50,000 was budgeted for parking lot paving between Great Western Bank and city hall. Money will now be used for drainage improvements at Eleven Mile Corner Road and Phoenix Avenue (behind Circle K on Frontier Street);
2. Sanitation fund – Propose to transfer \$70,000 from general fund into sanitation fund. This will enable the city to maintain the current residential and commercial rates as well the same level of service at the landfill. Mr. Krauss said staff will be looking for ways to increase revenue or reduce cost at the landfill in order to eliminate future subsidies.
3. Leverage funds - Approximately \$77,000 of leverage funds was put in the budget for CDBG housing projects. This was an oversight by staff.

Vice Mayor Powell asked for clarification on the transfer of general fund money for sanitation.

Mr. Krauss explained that the current rate structure for commercial does not cover all of the expenses. This leaves a deficit of approximately \$70,000. He said money is being transferred from the general fund as opposed to increasing the rate.

Vice Mayor Powell said when Council raised the rates for water and sewer it was because the enterprise funds were operating in a deficit. Now that this problem has been corrected, the city is now facing another one.

Mayor Belloc stated that Mr. Krauss talked to Council about doing some things to reduce expenses; hopefully within the coming year.

Mr. Krauss conveyed that when the commercial market became competitive, the city was subject to Arizona Sanitation taking some the city's commercial customers. The city's rates had to be lowered; a 10% overhead cost was added to the billings. However, it was discovered that the 10% does not cover all landfill operating costs. There was talk about increasing the overhead cost to 20%; however there seemed to be some concerns with that. So, it was decided that maybe for this one fiscal year to have the fund subsidized with general fund monies, while looking for ways to reduce future subsidies by either cutting expenses or raising revenues.

Councilmember Tidwell wanted to know does the current rate for residential customers pay the expenses for residential customers.

Mr. Krauss said yes.

Councilmember Tidwell then asked is the city going into RAD because the city is offering a reduced rate to commercial customers.

Mr. Krauss explained that (inaudible) cost in the landfill operations using the service that the city provides allows Eloy residents to dump at the landfill. He said the city is not collecting enough money to keep the service viable; to retain the three employees at the landfill and other landfill operations. The issue is that there is general fund benefits of keeping the landfill open and making it affordable to residents because the city does not want residents disposing their trash in the desert or in the community. If that happens, Mr. Krauss said the city will have code enforcement issues.

Councilmember Tidwell pointed out that the city still has three employees at the landfill. If customers are dumping into a roll off why is there a need for three employees?

Mr. Krauss voiced that the employees do other things at the landfill such as driving around making sure RAD adheres to the contract with city. The employees are also needed for coverage when employees go on vacation, are out on sick leave or attending trainings and workshops.

Councilmember Tidwell stated that if RAD wants the garbage cans inspected, why doesn't RAD pay the employees.

Mr. Krauss explained that this was not part of the contract the city entered into with RAD. He said it is the city who wants the cans inspected for contract compliance and not RAD.

Councilmember Tidwell asserted that this is a win-win for RAD and a lose-lose for the city.

Councilmember Galindo asked Mr. Krauss are residential trash pickups paying for itself.

Mr. Kraus said yes.

Councilmember Galindo then asked Mr. Krauss is it the landfill the general fund is subsidizing.

Mr. Krauss answered yes.

Motion by Vice Mayor Powell, seconded by Councilmember Tidwell to read Resolution No. 16-1391 by title only, passed unanimously.

Motion by Councilmember Tidwell, seconded by Councilmember Nagy to adopt Resolution No. 16-1391, passed unanimously by roll call vote.

H. ADOPTION OF ORDINANCE NO. 16-853 AMENDING CHAPTER 2, ARTICLE II, SECTION 2-40A OF THE ELOY CITY CODE REGARDING THE CITY RESIDENCY REQUIREMENT FOR THE MAGISTRATE JUDGE POSITION.

Cover sheet discussion: *Council consider adoption of Ordinance No. 16-853 amending the Chapter 2, Article II, Section 2-40A of the Eloy City Code requiring that the Magistrate Judge establish and maintain residency within 25 miles of the corporate limits of the City of Eloy within one year of appointment.*

To qualify for the City Magistrate position, the Eloy City Code requires that the city magistrate establish residency within the city limits within one year of appointment and to maintain residency within the corporate limits for the duration of employment with the city. Also, the position requires an individual to be at least 21 years of age, of good moral character, and receive educational requirements as set forth by the Arizona Supreme Court.

This change in residency requirement will enable the Mayor and Council to increase the pool of available applicants for the position of City Magistrate when a vacancy occurs. Further, Judge Valdez currently resides within 25 miles of the Eloy city limits which would allow for his reappointment next year. If approved by Council, the Ordinance would go into effect 30 days after adoption.

FISCAL IMPACT: *N/A*

Mr. Krauss gave a brief overview of the proposed ordinance which amends the residency requirement for the city magistrate position.

Mayor Belloc pointed out that the proposed amendment would be comparable to what the city currently has in place for its police officers.

Vice Mayor Powell also pointed out that the 25 mile radius starts at the city limit boundaries and not at the court office.

Mr. Krauss stated that this is correct.

Mayor Belloc conveyed that Councilmember Saucedo contacted to let him know that although he would not be at tonight's meeting, he supported the change.

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to read Ordinance No. 16-853 by title only, passed unanimously.

Motion by Vice Mayor Powell, seconded by Councilmember Nagy to adopt Ordinance No. 16-853, passed unanimously by roll call vote.

X. INFORMATIONAL ITEMS

- a. **May Financial Report** – No questions or comments.
- b. **May Check List Report** – Councilmember Tidwell requested clarification on check #545714 in the amount of \$7000.00 to the Arizona Public Safety Foundation for Eloy police department Toy Drive. He asked was this budgeted this fiscal year.

Mr. Wright explained that the police department had funds with the city specifically earmarked for the toy drive. The funds are being moved into a police type of fund with another agency for record keeping and accountability. Mr. Wright said doing this does not violate any of the city's constitutions. It is the police department's fund for their use specifically for the toy drive. The money is just being moved into another secure checking account. Mr. Wright conveyed that this is not a budgeted expense because the money was generated through donations.

- c. **City Overtime Report** – No questions or comments.

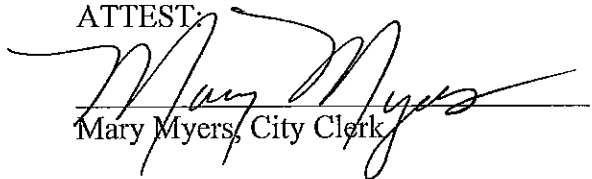
XI. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 6:56 p.m.



Joel G. Belloc, Mayor

ATTEST:



Mary Myers, City Clerk